

AGENDA



Recommendation for Council Action

Austin City Council	Item ID	7933	Agenda Number	27.
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Meeting Date:	8/18/2011	Department:	Planning and Development Review
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Subject

Approve a resolution authorizing the issuance by Moore’s Crossing Municipal Utility District (“District”), of Unlimited Tax Bonds, Series 2011, in an amount not to exceed \$2,000,000, and approving a substantial draft of the District’s Bond Resolution and the Preliminary Official Statement.

Amount and Source of Funding

No fiscal impact to the City. The City has no responsibility for payment on District bonds until the District is annexed by the City.

Fiscal Note

Purchasing Language:	
Prior Council Action:	
For More Information:	Jackie Chuter, 974-2613; Sylvia Arzola 974-6448
Boards and Commission Action:	Recommended by the Water & Wastewater Commission.
MBE / WBE:	
Related Items:	

Additional Backup Information

The City of Austin and the Moore’s Crossing Municipal Utility District (“District”), entered into the “Agreement Concerning Creation of Moore’s Crossing Municipal Utility District” on March 13, 1986. The District was created by the Texas Water Commission, predecessor to the Texas Commission on Environmental Quality (“TCEQ”), on June 17, 1987. The District contains approximately 838 acres and is located in the limited purpose jurisdiction of the City of Austin on Elroy Road east of South Farm-to-Market Road 973.

The City has received a request from the District to approve a District bond sale in the amount of \$2,000,000. The total amount of bonds authorized for the District is \$32,000,000 in unlimited tax bonds. The District has previously issued the Series 1998 tax bonds in the amount of \$1,425,000, Series 2003 tax bonds in the amount of \$1,670,000, Series 2004 refunding bonds in the amount of \$1,324,999, and Series 2005 tax bonds in the amount of \$3,000,000. After the proposed bond issue, \$23,905,000 in unlimited tax bonds will remain authorized but unissued.

The proceeds from the proposed bond issue will fund the District’s 70% share of the cost of the following projects (the developer is responsible for 30% of the cost):

- a. Stoney Ridge Phase B North Pond
- b. Portion of water, wastewater, and drainage facilities for Stoney Ridge, Phase B, Section 2.

The bond issue will also fund 100% of associated costs related to the issuance of bonds including legal fees, financial advisory fees, interest, bond discount, the bond application report, the Attorney General's fee, and TCEQ fees.

The District is unique in that it receives City retail water and wastewater service. Including this bond issue, the District can serve 817 equivalent single-family water and wastewater connections. At full build-out, the District is estimated to serve 3,955 equivalent single-family water and wastewater connections.

The TCEQ order dated June 28, 2010, and approving this bond issue states that the maximum net effective interest rate for this issuance should not exceed 6.75%. The proposed combined maintenance and debt service tax rate after issuance of the bonds is \$0.91 per \$100 of assessed value. The District bonds are the sole obligation of the District until the City annexes the District. This District is not included in the City's annexation plan at this time.

The consent agreement for the District requires City approval for all bond sales. City departmental staff from the Austin Water, Parks and Recreation, Emergency Medical Services, Planning and Development Review, Neighborhood Housing, Finance-Treasury, Watershed Protection, Fire, and Law reviewed the District's amended consent agreement. The District was found to be in compliance with the consent agreement, but the recreational facilities constructed by the developer at Stoney Ridge Park did not meet City Parks and Recreation Department standards as required by the consent agreement. The developer agreed to make the repairs and improvements necessary to bring the facilities into compliance and posted fiscal surety in the amount of \$27,740. Furthermore, the developer agreed to add one acre to the parkland designated as Area E on the District's 2003 land plan to make up for the loss of parkland in Area D, which is reserved for an electric substation on the preliminary plan for Stoney Ridge Phase C. Therefore, City staff recommends approval of the issuance of \$2,000,000 in District Unlimited Tax Bonds, Series 2011, contingent upon review and approval of the final bond offering documents by the City Chief Financial Officer's designee.